

FISCAL NOTE

HB 2680 - SB 2855

January 21, 2008

SUMMARY OF BILL: Adds new subdivision to the definition of “proof of financial responsibility” for the purpose of compliance with the Tennessee Financial Responsibility Law of 1977 after December 31, 2008. The new definition effectively increases minimum liability insurance requirements for compliance across multiple policy types.

ESTIMATED FISCAL IMPACT:

State Revenue – Net Impact – Not Significant
Increase State Expenditures – Not Significant

Local Gov’t. Revenue – Net Impact – Not Significant
Increase Local Gov’t. Expenditures – Not Significant

Assumptions:

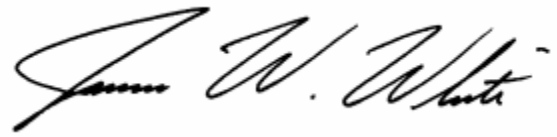
- Specifically, this bill (1) increases the minimum amount of liability insurance for one accident provided by a single limit policy from \$60,000 to \$120,000, (2) increases the minimum amount of liability insurance for one accident provided by a split-limit policy for bodily injury or death of one person from \$25,000 to \$50,000, (3) increases the minimum amount of liability insurance for one accident provided by a split-limit policy for bodily injury or death of two people from \$50,000 to \$100,000, (4) increases the minimum amount of liability insurance for one accident provided by a split-limit policy for property damage from \$10,000 to \$20,000, (5) increases the minimum cash deposit requirement from \$60,000 to \$120,000, and (6) increases the minimum execution and filing of a bond from \$60,000 to \$120,000.
- According to the Department of Safety, this bill would not require any program changes or additional resources.
- Any increase of premium tax revenue resulting from increased premiums are expected to be offset by a decrease of premium tax revenue resulting from fewer people being able to renew existing policies at the higher premiums.
- Revenue generated from motor vehicle registrations, renewals, and local government wheel tax is not expected to be impacted by this bill.

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- The provisions of this bill are not expected to significantly impact state or local government expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc